

RFP DGS-2053: CALNET II
VENDOR FORUM
AUGUST 24, 2005
10:00 a.m. – Noon
707 Third Street, Auditorium
West Sacramento, CA

SUMMARY

Note: The information provided below is a summary of the information exchanged at the Vendor Forum and is not intended to be a verbatim transcript.

Panel:

Steven Casarez, Department of General Services (DGS), Procurement Division (PD)
Barry Hemphill, Department of General Services (DGS), Telecommunications Division (TD)

- I. Welcome and Opening Comments – Steven Casarez, DGS, PD
 - a) Introduced speaker (Barry Hemphill, Deputy Director Telecommunications Division)
 - b) Identified his role as Procurement Official and Single Point of Contact and that questions should be submitted via e-mail to him at steve.casarez@dgs.ca.gov
 - c) Attendees were asked to submit questions in writing to ensure an accurate understanding and response
 - d) Attendees were reminded that oral communications concerning this RFP shall not be binding on the State or the Bidder
 - e) Attendees were directed to review the CALNET II Homepage and to subscribe to it to receive email notification of updates and addendums.
 - f) Announced that Addendum #13 would be released later in the day.
- II. Addendum #12 Overview – Steven Casarez, DGS, PD
 - a) RFP now contains four (4) Modules for services.
 - Module 1 – Core Services (Voice and Data)
 - Module 2 – Long Distance for Voice
 - Module 3 – Internet Protocol Services
 - Module 4 – Broadband Fixed Wireless Access
 - b) State anticipates awarding four contracts, one for each Module, potentially to four separate Bidders.
 - c) Bidders intending to submit proposals for more than one Module must submit a complete proposal package for each Module bidding.

- d) The RFP requirements include a transparent transition at no cost to the State or local government/agency customers for Modules 1 and 2
- e) Contract term is for five (5) years with 2 additional one (1) year extensions at the State's discretion.
- f) The State emphasized that this contract does require – Disabled Veterans Business Enterprise (DVBE) subcontracting in the amount of 3% of the contract or documentation of a good faith effort
- g) Due to the services in this RFP being of such a critical nature to the State of California, a performance bond for each Module is required
 - Module 1 – 7 million dollar performance bond
 - Module 2 – 4 million dollar performance bond
 - Module 3 – 1 million dollar performance bond
 - Module 4 – 1 million dollar performance bond
- h) Stressed the importance of adhering to the Key Action Dates
 - 9/16/2005 – Last day to submit Intent to Bid. Addendum #12 has made such significant changes to the RFP that the State is requesting that all Bidders submit Intent to Bid even if submission was made prior for this RFP. Bidders were asked to identify which Module or Modules they intend to bid. Intent to Bid notification must also be accompanied by Bidders financial information.
 - 10/03/2005 – Submission of Proposed changes to Contract Language
 - 10/03/2005 – Submission of Conceptual Proposal
 - 03/13/2006 – Submission of Draft Proposal
 - Confidential Discussions will be scheduled to review and discuss submissions (Conceptual; Technical; Draft submissions)
 - 06/05/2006 – Submission of Final Proposal
 - 07/21/2006 – Public Cost Opening
- i) Emphasized the importance of reading Addendum #12 thoroughly
- j) Final Proposals will be evaluated and scored in accordance with the evaluation criteria set forth in Addendum #12. Bidders should pay close attention to the evaluation criteria. Final Proposals will be evaluated and scored prior to the Public Cost Opening. The state emphasized that costs must be sealed separately.
- k) Each Module contract is different. Each module has a Standard Contract Form – STD. 213, separate General Provisions, and a different Statement of Work.

III. CALNET II – Addendum #12 – Barry Hemphill, Deputy Director Telecommunications Division

- a) Discussed the CALNET II RFP Addendum #12 from a high level perspective. Encouraged Bidders to thoroughly read the addendum to fully understand the State's direction.
- b) Advised all Bidders that questions are to be submitted in writing and will be answered to the best of the State's ability. The identity of the entity/person asking the questions is not published. Only the questions and their responses are published.
- c) As indicated, CALNET II will result in four contracts to replace the current contract known as CALNET I, which expires 12/2006.
- d) The RFP describes the State's requirements for telecommunications services.
- e) CALNET II is a solicitation for services, not equipment.
- f) This addendum and the four Module approach broadens competition and allows for the best pricing possible for the State and encourages partnership agreements and competition while still leveraging the purchasing power for State and the local government agencies.
- g) CALNET II is a non-exclusive contract with no minimum guarantees.
- h) Addendum #12 allows for Individual Price Reductions for specific customers without having to apply these reductions to statewide pricing.
- i) No transition costs for Modules 1 and 2. Installation costs for Modules 3 and 4 will be allowed, but not the cost incurred by the Bidder for building network to facilitate services to the state.
- j) The CALNET II Contract term is 5 years with 2 additional one-year extensions at the State's discretion.
- k) Encouraged Bidders to avail themselves to the confidential discussion opportunities throughout the process.

BIDDER'S QUESTIONS

NOTE: Answers here may be modified from the statements made in the Vendor Forum for clarification and accuracy purposes.

1. What is the best way to join a team to meet DVBE requirements?

Answer: The State Contract Register on the web is where the state advertises business opportunities. Interested DVBEs can put up an advertisement stating desire to be considered for team inclusion to meet DVBE requirements.

2. What will happen from a competitive standpoint if one Bidder wins one, two, three or even all of the modules?

Answer: The State believes that the non-exclusivity clause of the contract will allow for prices to be driven down through competitive pressures.

3. Can you explain 'non-exclusivity'?

Answer: Contractor A gets the business day 1 and then day 2 Vendor B puts in a proposal to provide service x for 25% less. Contractor A has the opportunity to adjust their price to a competitive level or not. If Contractor A chooses not to adjust their price or cannot offer a competitive option, then Vendor B could get the business following a competitive bid.

4. Some customers may request to migrate from CALNET I to CALNET II Modules 3 and 4 at the onset. Please clarify the ONS requiring that customers must receive prior approval before allowed to move to Modules 3 or 4.

Answer: The Office of Network Services/Department of Technology Services (ONS/DTS) does not want to be an impediment. The DTS/ONS is however responsible from a statewide perspective, for reviewing the request and ensuring that, 1), the solution is consistent with the overarching State plan and strategy; and that 2), the solution's bottom line makes sense (best solution for the situation).

5. There are a number of RFP's that have been announced that will be coming out from different departments or agencies, such as CalPers and the Department of Insurance. How is CALNET II going to impact these RFP's that are going to be coming out?

Answer: Those specific organizations mentioned are not part of the Executive Branch so by statute they are exempt from use of CALNET II. While exempt agencies are not required to use any CALNET contracts, they often ask for guidelines or assistance from the DTS and/or the Department of General Services (DGS). Those RFP's and the CALNET II solicitation are independent and should not affect one another or CALNET II.